

same benefits as independent wild-catters.

Then there is the stuff for the big chain store, such as the liberalization of the tax treatment of certain construction allowances and contributions received by retail operators.

What does that mean? It means the big chains can get a big payment to put a big store as the anchor tenant in a big mall, and they do not have to pay taxes on that big payment. But of course, people have to pay taxes on salaries and small business has to pay taxes on their profit.

There is the repeal of the 5-year limitations relating to life insurance companies filing consolidated tax returns with the affiliated group including non-life-insurance companies. There is a host of others that I have no time to get into.

But then finally there is the phase-in repeal of the estate gift and generation skipping tax. What does that mean? That means that Bill Gates saves \$50 billion. But what is in it for working families? For the 50 million Americans, 8 cents a day.

CHINA TRADE

The SPEAKER pro tempore (Mr. VITTER). Under a previous order of the House, the gentleman from Illinois (Mr. MANZULLO) is recognized for 5 minutes.

Mr. MANZULLO. Mr. Speaker, our relationship with China will always be extremely difficult and complex. We must continue the hard engagement process with China. But we do not need to sacrifice national security for trade. This has been and always will be a false choice.

The Cox report was a good sturdy point for us to more realistically evaluate our relationship with China. We have already begun to implement many of the Cox committee recommendations, such as requiring Defense Department monitors at satellite launch sites. Let us also be vigilant by enforcing existing laws.

If further reforms are needed to enhance national security, then Congress should not shy away from changing the law. But as we go through this process, we must not fool ourselves into thinking that more restrictions on our exports to China will protect us.

When we think about trade sanctions and export controls, we should not go down this road alone. We only put our heads in the sand if we think we can enhance our national security by ignoring our foreign competitors. The world has changed and the U.S. is no longer the only manufacturer of high-technology products.

Congress overreacted 2 years ago in placing unrealistic limits on computer sales abroad. Now China has a home-grown computer industry. Soon one penny and a chip the size of your fingernail will exceed the supercomputer definition. And European machine tool manufacturers have almost totally

captured the high-end market in China because of our Government's export control policy. This at the same time domestic consumption of U.S. machine tools has dropped 45 percent.

Europe sells the same machines to China that we could that do the same things, but we are barred by selling them because of our export policy. We only hurt ourselves.

We are now learning the same lesson on commercial satellite exports. Last week, a major satellite manufacturer reported a loss of nearly \$100 million because of delays in development and delivery of new satellites. This is an industry that has made a dramatic shift away from relying on Government procurement to commercial sales.

They also compete against German, French, and Japanese satellite manufacturers of similar equipment. These foreign firms would eagerly seize export opportunities from U.S. satellite makers if they are denied permission to launch by our Government. We can protect our national security and our national economic interests while engaging China at the same time. But we should not put up walls that will block our high-technology industry and hurt our overall national interests.

Let us solve the specific problems highlighted in the Cox report but keep our export options open in China.

ILLEGAL NARCOTIC TRAFFICKING IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MICA) is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, I come to the floor again tonight to talk about the problem of illegal narcotics. Tonight I would like to help set the record straight.

After years and months of nearly deadly silence by the President of the United States on one of the most pressing issues facing our Nation, that is the problem of illegal narcotics use and abuse, the President spoke out yesterday.

I have a transcript of his speech, and I was really stunned to hear his remarks. These are his exact comments.

□ 2300

He said, "When we were out there running for office in 1992, the Vice President had this hilarious rap about everything that should be up was down and everything that should be down was up, and everything was all mixed up. And it is true." And then the President said, and again let me quote him, "And one of the sad things that was up was drug use." Now, this is what the President of the United States said yesterday.

Mr. Speaker, this does not gibe with the facts. In fact, we did a little bit of research and we found, and this chart states quite clearly, that long-term trends in lifetime prevalence of drug use, from 1980 when President Reagan

took office, and this is the Reagan administration, through 1988, with President Bush during that period, we found that the trend in prevalence of drug use actually went down. These are the facts.

Now, again the President said, "And one of the sad things that was up was drug use." That is what the President said. These in fact, Mr. Speaker, are the statistics. These are not tainted or misconstrued in any way or partisanly presented. Those are the facts.

Then if we looked at individual narcotics, the trends in cocaine use, the President said, "And one of the sad things that was up was drug use."

So we can look at drugs individually. We see that during President Reagan and Bush's era, that the point at which President Clinton took office that there was a downward spiral in cocaine use. In fact, when President Clinton took office, we see the resurgence of that in fact returning and going up. This does not show the dramatic increase in drug use. Because of the Clinton policy, we in fact had a shift of more people going not only to cocaine but also to heroin in unprecedented amounts and also to methamphetamine which did not appear on any of these charts. So what the President said, "And one of the sad things that was up was drug use" is not in any way correct or does it relate to facts.

Then if we look at heroin, in the Reagan administration and Bush administration, we see downward trends. He said, "And one of the sad things was that drug use was up." We see in fact during President Clinton's term, it dramatically shot up, and heroin, deadly heroin, in incredible quantities. I do not have a chart on methamphetamine, but meth was not even on this chart and now is staggering up. The only reason we see any change here in a downward spiral in the last several years is because of the Republicans taking over the Congress and restarting the war on drugs.

Finally, the President also said, "We tried to do more to keep drugs from coming into the United States." This is the quote of the President. I do not have all the charts with me, but under complete control by the Democrat-controlled Congress, the White House and the Senate, the administration and this other controlled legislative body, 1992 to 1993 dramatically decreased the source country programs, they cut them by over 50 percent, dramatically cut the military. He said, "We tried to do more to keep drugs from coming into the United States." Dramatically cut the military and interdiction programs. Nearly cut in half the Coast Guard drug programs, stopped antidrug resources from getting to Colombia which is now the major source of heroin and cocaine coming into the United States. And certified Mexico, which is the greatest source of illegal narcotics and now methamphetamines of anywhere coming into the United States. And our President said yesterday, "We

tried to do more to keep drugs from coming into the United States."

Mr. Speaker, the President says one thing. The facts prove something totally different. It is sad that after years and years of deadly silence, we finally have the President come out in one of the rare occasions he ever mentions illegal narcotics and says two things that do not gibe in any fashion with the facts as to what actually took place.

It is very sad that I report this to the House, but I think that the facts relating to this important problem that is facing our Nation that has condemned so many families tragically to losing loved ones, 14,000 people died last year alone because of direct results of illegal narcotics. It is very sad, indeed, that the President of the United States paints a picture that does not gibe with the facts.

MANAGED CARE REFORM

The SPEAKER pro tempore (Mr. VITTER). Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 27 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, in just 3 days, this House will adjourn without having brought to the floor the Patients' Bill of Rights, the Democrats' legislation for comprehensive HMO reform.

I bemoan the fact that that is the case. I think that this legislation and the need to address the issue of HMO reform is really the preeminent issue that needs to be addressed in this House, in this Congress, in this session of Congress.

I have to say that the Republican leadership since the beginning of the year has made many promises with regard to the Patients' Bill of Rights and the whole issue of HMO reform. First, the Speaker said that we would follow the normal committee process and an HMO reform bill would have hearings in the relevant committees and have a markup in committee and come to the floor in the normal way, but that has not happened.

Then, as Members know, in the other body basically the Democrats forced the issue, forced the other body to bring up HMO reform. Unfortunately, the bill that was finally passed was not real reform, was ineffective, was a sham, but the impetus, if you will, that at least some sort of HMO reform would be brought up in the Senate caused the Speaker and the Republican leadership just a few weeks ago after the Senate took action and had a hearing and had a markup on the floor, basically forced the Speaker to say that a bill would come to the floor, an HMO reform bill would come to the floor in the House of Representatives sometime before the August recess.

Well, Mr. Speaker, the August recess begins probably this Friday and Democrats have basically been pushing to

achieve action here on the floor for the Patients' Bill of Rights, our Democratic HMO reform. We actually had Members come to the floor over here in the well and sign a discharge petition that would force the Republican leadership to bring up our Patients' Bill of Rights. One hundred eighty-three Members signed that discharge petition. But now ultimately to no avail. The Speaker, the Republican Speaker, just announced that no action will be taken on the bill before the August recess.

I ask why? The answer, I think, is very simple. That is, because the Republican leadership here in the House as well as in the Senate is a captive of the insurance industry. The insurance industry does not want a true HMO reform, a true comprehensive bill to come to the floor of the House because, unlike the other body, they realize that if it does, it will pass. Some of my colleagues, a handful of my colleagues on the other side who are health care professionals, doctors, dentists, have made the point that they will vote for a strong HMO reform bill, something akin to the Democrats' Patients' Bill of Rights. When they made that statement and basically indicated to the Republican leadership that they would join with the Democrats in passing a bill, well, all of a sudden this week we find that the Speaker and the Republican leadership say, "No, no, we're not going to bring a bill to the floor. We can wait until the fall. We'll have further discussions. No action will be taken now."

I just want to commend the Republicans on the other side of the aisle, those few, all of whom, I think, who have been most outspoken are health care professionals, doctors, because they have stood up and said that we need a strong HMO reform bill and they refuse to say that the action taken by the other body meets that need. In fact, it does not meet that need.

Mr. Speaker, if I could, I hope that during the August break and when we come back in September that we will see a bipartisan coalition of the Democrats, all of whom support the Patients' Bill of Rights, and enough Republicans on the other side that will come together in a bipartisan way to demand action on something like the Patients' Bill of Rights so we can have true comprehensive HMO reform come to the floor when we return in September.

□ 2310

Mr. Speaker, if the House leadership is not willing to bring it up, I think we will simply have to get every Democrat to sign the discharge petition and join with some of the Republicans who are willing to sign it to force the issue to make sure that the Patients' Bill of Rights or some strong comprehensive reform like it comes to the floor.

As my colleagues know, Mr. Speaker, I just wanted to point out that increas-

ingly we are seeing every comprehensive report, every study that is being done around the country about what the American people want, what the health professionals want, what people see basically as common sense reform with regard to HMOs, that we need some kind of action taken.

There were two reports that came out just in the last week that I wanted to mention tonight. One of them was basically a report, if you will, where various doctors and health care professionals were interviewed. It was a survey that found nearly nine in 10 doctors and more than one in four consumers are having trouble receiving the medical care and services they need within the context of HMOs managed care, and as a result between one-third and two-thirds of the doctors said the service denial resulted in adverse health consequences for the patient.

The types of problems that we are seeing that myself and others have documented on the floor about people who have had abusive situations with managed care and with HMOs, this is becoming commonplace, and both consumers, patients as well as doctors, are decrying the situation, and I say to my colleagues and, I guess, to the American people as well, why is it that the Republican leadership will not allow us to take action when the majority of us in a bipartisan way would like to see comprehensive HMO reform? And it always comes back to the same thing, and that is the money spent by the insurance industry against this type of comprehensive HMO reform.

The second survey that came out in the last week or so basically said that last year 1.4 to \$2 billion was paid to lobbyists to influence politicians and policy, a 13 percent increase from 1997; and for the second year in a row the insurance industry topped the list in lobbying costs, nearly \$203 million last year alone.

The Republicans basically on the leadership or amongst the Republican leadership are bowing to the insurance industry which is spending millions of dollars once again trying to defeat true HMO reform.

Mr. Speaker, I just wanted to, if I could, make reference to a New York Times editorial that was in the New York Times on July 16 of this year, and it just kind of sums up what is happening out there and why we cannot see action on the House floor, and I quote. It says:

"There is no mystery here. Campaign money is dictating medical policy in the Senate. The political system and especially the Republican party is awash in money from the health care industry. As President Clinton said yesterday, and this was back on July 16, GOP senators could not support the Patients' Bill of Rights because the health insurers will not let them do so. That is the bottom line, Mr. Speaker."

Mr. Speaker, if I could just use a couple minutes of my time to talk about some of the comparisons between the